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HOUSE BILL 802

48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007

INTRODUCED BY

Jim R. Trujillo

AN ACT

RELATING TO TAXATION; ENACTING A NEW SECTION OF THE INCOME TAX ACT TO PROVIDE A TAX CREDIT FOR PURCHASE AND INSTALLATION OF AN ADVANCED TREATMENT ON-SITE LIQUID WASTE SYSTEM.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Income Tax Act is enacted to read:

"[NEW MATERIAL] CREDIT FOR PURCHASE OF ADVANCED TREATMENT ON-SITE LIQUID WASTE DISPOSAL SYSTEM.--

A. A taxpayer who files an individual New Mexico income tax return and who is not a dependent of another taxpayer may claim a credit not to exceed one thousand five hundred dollars (\$1,500) for costs incurred for purchase and installation of an eligible advanced treatment on-site liquid waste system installed on property owned and occupied by the

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1 taxpayer as the taxpayer's principal place of residence.

2 B. To be eligible for the credit, the advanced
3 treatment on-site liquid waste system must comply with the
4 liquid waste disposal and treatment regulations of the
5 department of environment and must be installed by a qualifying
6 contractor as determined by the department of environment.

7 C. To claim the credit provided by this section the
8 taxpayer must furnish, in a form to be determined by the
9 taxation and revenue department, certification from the
10 department of environment that the taxpayer's advanced
11 treatment on-site liquid waste system complies with department
12 of environment regulations and was installed by a qualifying
13 contractor.

14 D. A taxpayer may deduct the credit provided by
15 this section from the taxpayer's income tax liability for the
16 taxable year in which the cost was incurred. If the amount of
17 the credit exceeds the taxpayer's income tax liability, the
18 excess credit may be carried forward for up to three years.

19 E. A husband and wife who file separate returns for
20 a taxable year in which they could have filed a joint return
21 may each claim only one-half of the credit that would have been
22 allowed on a joint return.

23 F. As used in this section, "advanced treatment on-
24 site liquid waste system" means an on-site liquid waste system
25 that uses any process of wastewater treatment that removes a

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greater amount of contaminant than is accomplished through
primary treatment."

Section 2. APPLICABILITY.--The provisions of this act
apply to taxable years beginning on or after January 1, 2008.